

Message Text

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63

ACTION ARA-10

INFO OCT-01 ISO-00 CIAE-00 DODE-00 PM-03 H-02 INR-07 L-02

NSAE-00 NSC-05 PA-02 RSC-01 PRS-01 SP-02 SS-15

USIA-15 AID-05 COME-00 EB-07 FRB-01 TRSE-00 XMB-04

OPIC-06 CIEP-02 LAB-04 SIL-01 OMB-01 AGR-10 STR-04

CEA-01 EUR-12 /124 W

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R 022110Z JAN 75

FM AMEMBASSY SAN JOSE

TO SECSTATE WASHDC 8957

INFO AMEMBASSY GUATEMALA

AMEMBASSY MANAGUA

AMEMBASSY PANAMA

AMEMBASSY SAN SALVADOR

AMEMBASSY TEGUCIGALPA

UNCLAS SAN JOSE 0010

GUATEMALA ALSO FOR ROCAP

E.O. 11652: N/A

TAGS: ECIN, CS

SUBJECT: FOREIGN MINISTER CRITICIZES PROPOSED CACM TREATY

SUMMARY. UPON AN ADMITTEDLY PRELIMINARY READING OF THE NEW DRAFT CACM TREATY, FOREIGN MINISTER FACIO CRITICIZED ITS FAILURE TO GIVE ADEQUATE EMPHASIS TO THE SOCIAL ASPECTS OF REGIONAL INTEGRATION. COSTA RICA'S CACM HIGH LEVEL COMMITTEE REPRESENTATIVES TOOK ISSUE WITH FACIO'S REMARKS, BY EMPHASIZING THAT THE DRAFT TREATY HAS A PROFOUND SOCIAL BASIS, BY POINTING OUT THAT FURTHER DETAILED WORK ON INTEGRATION POLICIES IS TO CONTINUE IN 1975, AND BY WELCOMING HIS SUPPORT IN DEFINING SOCIAL AND OTHER REGIONAL POLICIES. END SUMMARY.

1. UPON A FIRST READING OF THE PROPOSED NEW TREATY FOR

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RESTRUCTURING THE CENTRAL AMERICAN COMMON MARKET (CACM),

FOREIGN MINISTER FACIO STATED TO THE PRESS THAT HIS INITIAL REACTION WAS THAT IT CONTAINED MANY DEFECTS. THE CHIEF DEFECT HE SAW WAS THAT THE PROPOSED TREATY ERRONEOUSLY CONSIDERED CENTRAL AMERICAN ECONOMIC INTEGRATION FROM A PURELY MERCANTILIST POINT OF VIEW AND NOT AS A SOCIO-ECONOMIC PHENOMENON. HE FAULTED THE FAILURE TO SEEK IMPROVEMENT IN REGIONAL WAGE AND SOCIAL BENEFITS POLICIES STATING THAT THIS WOULD WORK TO THE DETRIMENT OF THE MORE PROGRESSIVE COUNTRIES IN THE REGION, I.E. COSTA RICA. OTHER PROBLEMS FACIO CITED WERE: CONSIDERATION OF SIECA SEPARATELY FROM THE ORGANIZATION OF CENTRAL AMERICAN STATES (ODECA), A TENDENCY TO CONSIDER THE CACM AS A TRANSPLANT OF THE EUROPEAN COMMON MARKET, A LACK OF DEFINITION AND TENDENCY TOWARD GENERALITIES, AND A FAILURE TO CONSIDER THE GENERAL POLITICAL ASPECTS OF THE REGION. FACIO CONCLUDED HIS REMARKS, WHICH WERE CARRIED IN THE DECEMBER 24 PRESS, STATING THAT MANY AMENDMENTS WILL HAVE TO BE MADE IN THE PROPOSED DRAFT.

2. FACIO'S REMARKS WERE REBUTTED A DAY LATER IN THE LA NACION OF DECEMBER 25 BY COMMON MARKET HIGH LEVEL COMMITTEE REPRESENTATIVES RODOLFO SOLANO AND FERNANDO BERROCAL. THE GIST OF THEIR COMMENTS WAS THAT THEY HOPED THAT UPON A MORE CAREFUL READING FACIO WOULD REALIZE THAT THE PROPOSED TREATY HAS A DEEP SOCIAL CONTENT AND IS NOT MERCANTILIST IN INSPIRATION. THEY CITED ARTICLES 69 THROUGH 81 OF THE DRAFT AS BEING AIMED AT PAVING THE WAY FOR THE CREATION OF A REGIONAL MINIMUM WAGE AND IMPROVEMENT OF SOCIAL BENEFITS POLICIES. THEY THANKED FACIO FOR HIS INTEREST IN THE SOCIAL POLICY AREA AND EXPRESSED THE HOPE THAT HE WOULD SUPPORT THEM IN THEIR EFFORTS TO IMPROVE REGIONAL SOCIAL POLICY AND ALSO IN EFFORTS TO SEEK REGULATION OF FOREIGN INVESTMENT AND TRANSFORMATION OF THE REGIONAL AGRARIAN SECTOR, WHEN THE TIME COMES TO DEFINE POLICIES IN THESE AREAS. SOLANO AND BERROCAL DENIED THAT THE CACM DRAFT TREATY SEEKS TO TRANSPLANT THE EUROPEAN SYSTEM, BUT ACKNOWLEDGED THAT IT IS MUCH INFLUENCED BY THE EUROPEAN EXPERIENCE. THEY FURTHER POINTED OUT THAT THE INSTITUTIONAL AND SOCIAL ASPECTS OF INTEGRATION ARE YET TO BE NEGOTIATED IN THE HIGH LEVEL COMMITTEE, THAT THEY ARE SCHEDULED FOR CONSIDERATION DURING THE FIRST HALF OF 1975, AND THAT FACIO

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WILL BE ABLE TO PLAY AN ACTIVE ROLE IN THEIR FORMULATION THROUGH HIS MEMBERSHIP ON THE PROPOSED NATIONAL COMMISSION.

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